
**MANITOBA
OPPORTUNITIES FUND
LIMITED**

**Annual Report
March 2009**

Manitoba 

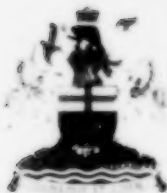


MANITOBA OPPORTUNITIES FUND LIMITED

Financial Statements
March 31, 2009

Manitoba 





MINISTER OF COMPETITIVENESS,
TRAINING AND TRADE

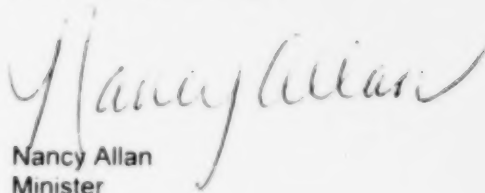
Winnipeg, Manitoba, CANADA
R4 0A8

His Honour
The Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235 Legislative Building
405 Broadway Avenue
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for the Manitoba Opportunities Fund Limited
for the fiscal year ending March 31, 2009.

Respectfully submitted,


Nancy Allan
Minister



Manitoba



Competitiveness, Training and Trade

Manitoba Development Corporation

1040 - 259 Portage Avenue

Winnipeg MB R3B 3P4

Honourable Nancy Allan
Competitiveness, Training and Trade
Room 358 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister Allan:

It is our pleasure to submit the Annual Report of the Manitoba Opportunities Fund Limited for the fiscal year ended March 31, 2009, as required by Section 67 of the Financial Administration Act.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "H. Eliasson".

Hugh Eliasson
Chairperson

Manitoba
spirited energy



Manitoba



Competitiveness, Training and Trade

Manitoba Development Corporation

1040 - 259 Portage Avenue

Winnipeg MB R3B 3P4

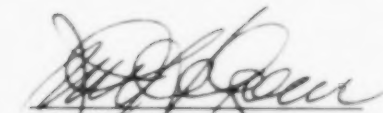
THE MANITOBA OPPORTUNITIES FUND LIMITED

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in conformity with the generally accepted accounting principles. The statements are examined by BDO Dunwoody LLP, Chartered Accountants, whose opinion is included herein.

To fulfill this responsibility, management maintains internal control systems to provide reasonable assurance that the accounts and records accurately reflect all transactions and that appropriate policies and procedures are established and respected.

BDO Dunwoody LLP have free access to the Board of Directors, with and without management present, to discuss the results of their audit and the quality of financial reporting to the Board.



James F. Kilgour, C.A.
General Manager



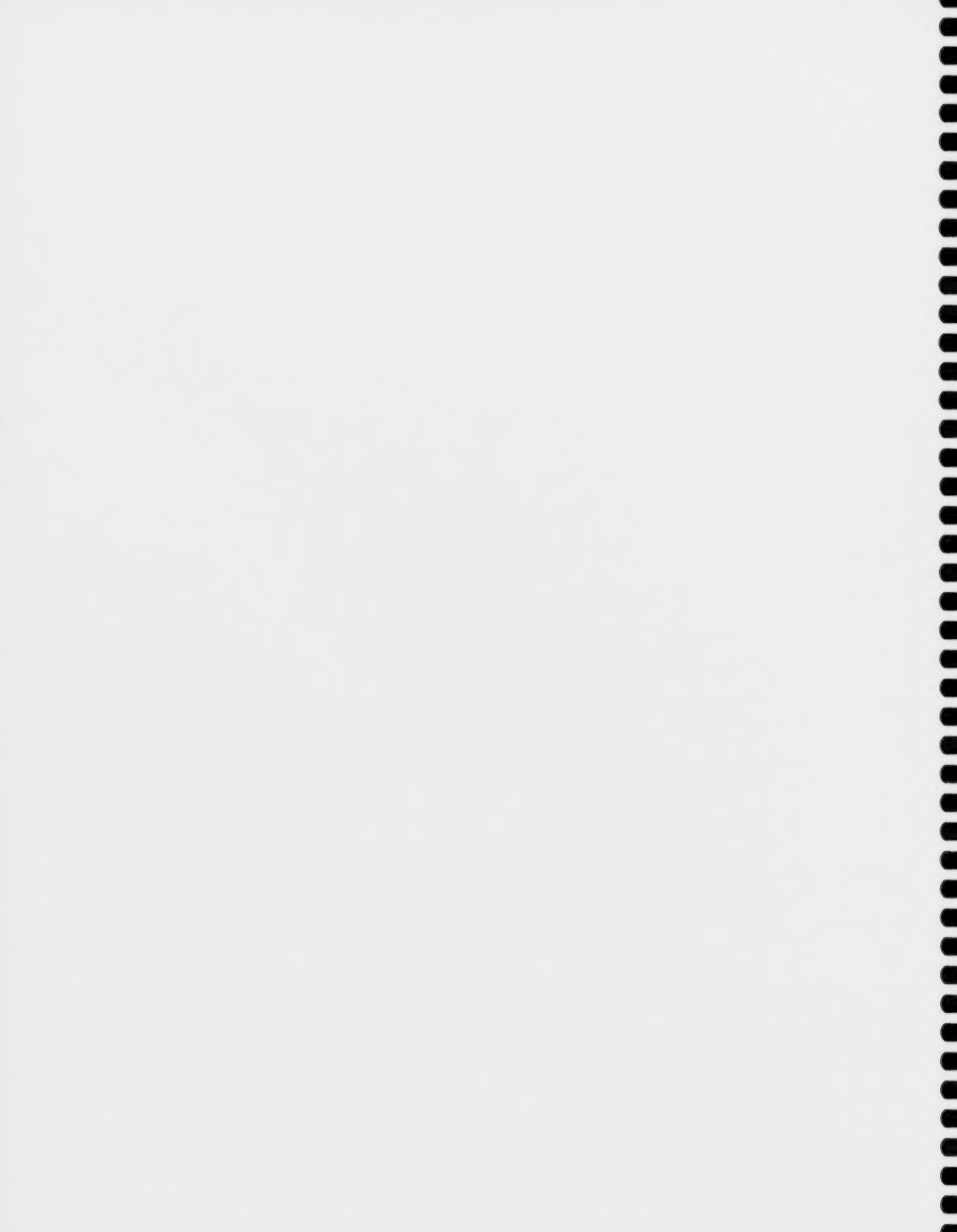
Kristine Seier, CMA
Secretary-Treasurer

Manitoba
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**THE MANITOBA
OPPORTUNITIES FUND LTD.**

Financial Statements
For the year ended March 31, 2009



THE MANITOBA OPPORTUNITIES FUND LTD.

Financial Statements

For the year ended March 31, 2009

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BDO Dunwoody LLP/s.r.l.
Chartered Accountants and Actuaries
Certificated accountants of companies

750-1000-1000-1000
Winnipeg, Manitoba, Canada R2P 2A2
BDO Dunwoody LLP/s.r.l. 1700-1700
BDO Dunwoody LLP/s.r.l. 1700-1700
BDO Dunwoody LLP/s.r.l. 1700-1700
BDO Dunwoody LLP/s.r.l. 1700-1700

Auditors' Report

**To the Board of Directors of
THE MANITOBA OPPORTUNITIES FUND LTD.**

We have audited the balance sheet of **THE MANITOBA OPPORTUNITIES FUND LTD.** as at March 31, 2009 and the statements of income, comprehensive income and retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants

Winnipeg, Manitoba
June 2, 2009

THE MANITOBA OPPORTUNITIES FUND LTD.

Balance Sheet

March 31

2009

2008

Assets

Current Assets

Temporary investments (Note 3)	\$ 17,625,251	\$ 19,886,197
Accrued interest receivable	-	10,465
	<u>17,625,251</u>	<u>19,896,662</u>

Portfolio investments (Note 4)	192,880,176	133,748,409
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Deferred charges	8,428,694	6,801,662
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	<u>\$218,934,121</u>	<u>\$160,446,733</u>
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Liabilities and Equity

Current Liabilities

Accounts payable and accrued liabilities	\$ 1,958,208	\$ 2,015,699
Current portion of borrowings (Note 5)	38,866,321	1,897,286
	<u>40,824,529</u>	<u>3,912,985</u>

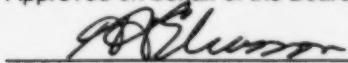
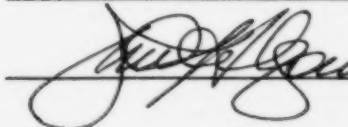
Borrowings (Note 5)	173,331,615	153,758,308
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Shareholder's Equity

Share capital, (authorized - an unlimited number of Class A common shares; issued - 1 Class A common share)	-	-
Retained Earnings	4,777,977	2,775,440

	<u>\$218,934,121</u>	<u>\$160,446,733</u>
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Approved on behalf of the Board:

 Director
 Director

THE MANITOBA OPPORTUNITIES FUND LTD.
Statement of Income, Comprehensive Income and Retained Earnings

For the year ended March 31	2009	2008
Investment Income	\$ 6,581,974	\$ 4,699,080
Expenses		
Amortization of deferred charges	2,547,989	1,671,187
Professional fees	3,000	3,000
Program administration	75,848	78,150
	2,626,837	1,752,337
Operating income for the year	3,955,137	2,946,743
Growing Through Immigration Strategy Support (Note 6)	1,952,600	1,929,513
Net income and comprehensive income for the year	2,002,537	1,017,230
Retained earnings, beginning of year	2,775,440	1,758,210
Retained earnings, end of year	\$ 4,777,977	\$ 2,775,440

THE MANITOBA OPPORTUNITIES FUND LTD.

Statement of Cash Flows

For the year ended March 31	2009	2008
Cash Flows from Operating Activities		
Net income for the year	\$ 2,002,537	\$ 1,017,230
Adjustments for		
Amortization of deferred charges	2,547,989	1,671,187
Increase in present value of portfolio investments	(6,220,430)	(4,163,818)
	(1,669,904)	(1,475,401)
Changes in non-cash working capital balances		
Accrued interest receivable	10,465	49,166
Accounts payable and accrued liabilities	(57,491)	717,006
	(1,716,930)	(709,229)
Cash Flows from Investing Activities		
Purchase of portfolio investments	(54,808,650)	(43,730,420)
Redemption of portfolio investments	1,897,313	-
	(52,911,337)	(43,730,420)
Cash Flows from Financing Activities		
Repayment of borrowings	(1,897,313)	-
Advances from borrowings	54,264,634	54,171,131
	52,367,321	54,171,131
Increase (decrease) in cash equivalents during the year	(2,260,946)	9,731,482
Cash equivalents, beginning of year	19,886,197	10,154,715
Cash equivalents, end of year	\$ 17,625,251	\$ 19,886,197
Represented by		
Temporary investments	\$ 17,625,251	\$ 19,886,197

THE MANITOBA OPPORTUNITIES FUND LTD.

Summary of Significant Accounting Policies

March 31, 2009

Basis of Accounting	The company's financial statements have been prepared by management in accordance with the recommendations of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).
Revenue Recognition	Interest revenue on temporary investments is recorded on an accrual basis. Investment income on portfolio investments is determined by the difference in the present value of the term note and the cost of the term note.
Contributed Services	During the year, the Province of Manitoba provided office space and other administrative services to the company at no cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.
Deferred Charges	Deferred charges, which reflect the handling fee to be paid to the Government of Canada upon repayment of funds, are amortized over the five year term the related deposits are held.
Temporary Investments	Temporary investments are carried at cost, which approximates market value. Funds available for investment are invested through the Province of Manitoba.
Portfolio Investments	Portfolio investments are recorded at cost which represents the discounted value of the term notes. Over time, the value of the portfolio investments increase equal to the effective interest rates on the term notes. The increase in the present value of the portfolio investments during the year is recorded as an increase in the portfolio investments and as investment income.
Financial Instruments	The company's financial instruments consist of accrued interest receivable, temporary and portfolio investments, accounts payable and accrued liabilities, and borrowings. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted. The fair value of borrowings including current portion will be less than the carrying value because the debt is interest-free.
Use of Estimates	The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE MANITOBA OPPORTUNITIES FUND LTD.

Notes to Financial Statements

March 31, 2009

1. Nature of Operations and Economic Dependence

The Manitoba Opportunities Fund Ltd. (the company) was incorporated under the laws of Manitoba on April 3, 2003. The company was formed due to the requirements of the Fund Agreement between the Minister of Citizenship and Immigration and the Manitoba Fund dated October 21, 2003 to function as an "approved fund" under the Immigrant Investor Program. The Minister of Finance holds the one Class A common share issued as a designated representative of Her Majesty the Queen in right of the Province of Manitoba with a value of \$Nil. The company considers itself to be an Other Government Organization as defined by the PSAB of the CICA.

The object of the company is to hold and invest the Provincial allocation of immigrant's investments made through the Federal Department of Citizenship and Immigration Canada's (CIC) Immigrant Investor Program. The Federal Immigrant Investor Program seeks to attract experienced persons and capital to Canada. Investors must demonstrate business experience, a minimum net worth of CDN \$800,000 and make an investment of CDN \$400,000. The funds invested are distributed among participating Provinces. After five years, the company returns the Provincial allocation of the \$400,000 investment, without interest, to the CIC who then returns the funds to the individual investors who have become permanent residents. However, prior to approval and issuance of a Permanent Resident's Visa an investor may withdraw from the program and CIC will request that the company repay the Provincial allocation of the individual investment at such time.

Manitoba, as a participating Province, through the company invests the Provincial allocation funds for a period of five years and uses the interest income generated on the funds to create jobs and help the Manitoba economy grow.

The company is economically dependent on the Province of Manitoba as the Province of Manitoba is liable for the borrowings payable to the Federal Government.

2. Change in Accounting Policy

Effective April 1, 2008, the company changed the basis of accounting used to prepare its financial statements to be in accordance with the recommendations of the PSAB of the CICA. Previously the company followed the recommendations of the Accounting Standards Board of the CICA. The change had no material impact on the company's accounting policies or presentation and resulted in no restatement of prior year results.

3. Temporary Investments

The temporary investments consist of 30 - 90 day deposit certificates held by the Province of Manitoba and 5 year bonds issued by the Province of Quebec.

THE MANITOBA OPPORTUNITIES FUND LTD.

Notes to Financial Statements

March 31, 2009

4. Portfolio Investments

The portfolio investments are made up of several 5 year zero coupon term notes which Manitoba Opportunities Fund Ltd. purchases on a monthly basis from the Province of Manitoba. The maturity dates range monthly from March 2009 to March 2014. The effective interest rates range from 1.60% to 4.60% payable at the end of the 5 year term.

The discount on the bonds are amortized over the 5 year term. The present value of the bond less the face value is recorded each year as interest income.

5. Borrowings

	<u>2009</u>	<u>2008</u>
Government of Canada	\$212,197,936	\$155,655,594
Current portion of borrowings	38,866,321	1,897,286
	<u>\$173,331,615</u>	<u>\$153,758,308</u>

The borrowings represents the Provincial allocation of immigrant's investments repayable to the Federal Government five years after the Federal Government has distributed these funds to the Manitoba Opportunities Fund Ltd. A handling fee is deducted prior to the funds being distributed to the Manitoba Opportunities Fund Ltd.

Principal repayments for the next five years are as follows:

2010	\$ 38,866,321
2011	33,914,963
2012	22,753,284
2013	58,223,743
2014	<u>58,439,625</u>
	<u>\$212,197,936</u>

THE MANITOBA OPPORTUNITIES FUND LTD.

Notes to Financial Statements

March 31, 2009

6. Growing Through Immigration Strategy Support

Funds transferred to support the Growing Through Immigration Strategy are made up of the following, as approved by the Treasury Board:

	2009	2008
Business Settlement Office	\$ -	\$ 350,603
Advanced Education and Learning	246,200	157,800
Education, Citizenship, and Youth	113,900	-
Civil Service Commission	132,000	-
Department of Labour and Immigration	1,092,300	990,233
Competitiveness, Training and Trade	99,200	233,392
Manitoba Agriculture, Food and Rural Initiatives	247,500	177,527
Manitoba Culture, Heritage, Tourism and Sport	21,500	19,958
	<u>\$ 1,952,600</u>	<u>\$ 1,929,513</u>

In 2008, Treasury Board authorized the transfer of the Business Settlement Office expenses from the Manitoba Opportunity Fund - Growing Through Immigration Strategy Support to the Manitoba Development Corporation - Program Administration.

7. Related Party Transactions

The company paid \$- (2008 - \$433,789) made up of program administration costs of \$Nil (2008 - \$83,186) and Growing Through Immigration Strategy Support transfers of \$Nil (2008 - \$350,603) to the Manitoba Development Corporation, which operates under control of a common Board of Directors.

